CHAPTER NO. 464

[SB 502]

AN ACT GENERALLY REVISING LAWS RELATING TO HARD-ROCK MINING IMPACTS; PROVIDING THAT A PAYMENT GUARANTEE FOR A FACILITY IMPACT BOND MUST BE MADE THROUGH A THIRD-PARTY FINANCIAL INSTITUTION; CLARIFYING THE MINIMUM ALLOCATION OF TAXABLE VALUATION OF GROSS PROCEEDS TO UNITS OF LOCAL GOVERNMENT; REVISING THE ALLOCATION OF THE METAL MINES LICENSE TAX; REVISING THE TIME AND MINIMUM DISTRIBUTION OF REVENUE TO TRUST ACCOUNTS; AMENDING SECTIONS 15-37-117, 90-6-302, 90-6-310, 90-6-331, AND 90-6-404, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 15-37-117, MCA, is amended to read:

"**15-37-117. Disposition of metalliferous mines license taxes.** (1) Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the provisions of 15-1-501, be allocated as follows:

(a) to the credit of the general fund of the state, 58% of total collections each year;

(b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, ~~1.5%~~ *2.5%* of total collections each year;

(c) to the orphan share state special revenue account established in 75-10-743, 8.5% of total collections each year;

(d) to the ground water assessment account established in 85-2-905, 2.2% of total collections each year;

(e) to the reclamation and development grants program state special revenue account, 4.8% of total collections each year; and

(f) *on or before June 1,* to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan, or, if an impact plan has not been prepared, to the county in which the mine is located, ~~25%~~ *24%* of total collections each year, to be allocated by the county commissioners as follows:

(i) not less than ~~40%~~ *37.5%* to the county hard-rock mine trust reserve account established in 7-6-2225; and

(ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as follows:

(A) 33 1/3% is allocated to the county for planning or economic development activities;

(B) 33 1/3% is allocated to the elementary school districts within the county that have been affected by the development or operation of the metal mine; and

(C) 33 1/3% is allocated to the high school districts within the county that have been affected by the development or operation of the metal mine.

(2) When an impact plan for a large-scale mineral development appro pursuant to 90-6-307 identifies a jurisdictional revenue disparity, the county s distribute the proceeds allocated under subsection (1)(f) in a manner simila that provided for property tax sharing under Title 90, chapter 6, part 4.

(3) The department shall return to the county in which metals are produ the tax collections allocated under subsection (1)(f). The allocation to the cou described by subsection (1)(f) is a statutory appropriation pursuant to 17-7-5

Section 2. Section 90-6-302, MCA, is amended to read:

"**90-6-302. Definitions.** In this part, the following definitions apply:

(1) "Board" means the hard-rock mining impact board establishe 2-15-1822.

(2) "Bonds" include bonds, notes, warrants, debentures, certificate indebtedness, temporary bonds, temporary notes, interim receipts, int certificates, and all instruments or obligations evidencing or represen indebtedness or evidencing or representing the borrowing of money or eviden or representing a charge, lien, or encumbrance on specific revenues, sp assessments, income, or property of a political subdivision, including instruments or obligations payable from a special fund.

(3) "Facility" means a facility that is owned, operated, or maintained local government unit and that, under the impact plan submitted under provisions of 90-6-307, can be expected to have increased capital and opera costs as a result of the large-scale mineral development.

(4) "Large-scale mineral development" means the construction or opera of a hard-rock mine and the associated milling facility for which a perm applied for under 82-4-335 ~~on or after May 18, 1981~~, and for which the ave number of persons on the payroll of the mineral developer and of contracto the mineral development exceeds or is projected to exceed 75 for any consecu 6-month period. A mining operation that would qualify as a large-scale mir development under this subsection is not a large-scale mineral developme the mine owner and operator are small miners as defined in 82-4-303.

(5) "Local government unit" means a county, city, town, school distric any of the following independent special districts:

(a) rural fire district;

(b) public hospital district;

(c) refuse disposal district;

(d) county water and sewer district;

(e) county water district;

(f) county sewer district; or

(g) park district.

(6) (a) "Property tax prepayment" means a potentially reimbursable im payment made by the developer of a large-scale mineral development to the im fund of an affected unit of local government pursuant to an approved impact to be expended for the purpose or purposes identified in the plan.

(b) The term does not mean a payment or prepayment of property taxe general distribution among funds or accounts."

EXHIBIT 8
DATE 2.18.05
HB 700